COL. HARVEY PAYS TRIBUTE TO FRICK

Success of Steel Master a Triumph of Individualism,

Gentleness and Love for Children Appealing Sides of His Character.

The following tribute to Henry Clay Frick was delivered by Col. George Harvey in a speech made last Saturday night to the Pennsylvania Society in the Walderf-Asteria:

"Primarily Mr. Frick was a great builder-one of the foremost in that Scheration which produced the most con-structive group in the history of the mighty Republic. It is frequently remarked that his monument is the mag-nificent gift to the people of this im-perial city and to the millions throughperial city and to the millions through-out the country who are our constant visitors. Surely none could be finer or more permanently inspiring. But when the other night I came through the meuntains of his native State and my eyes were blinded by the miles of fur-naces emblazoning the results of his gentus, toil and faith I could not but feel that there was another quite as impressive.

Not by luck, assuredly. It is diffient to recall the name of a man in whose success chance played so small a part No advantage whatever was his beyond that which he himself had made by rigid application to details, theoretical and practical, which gave him the mas-tery of his pursuit. But that sufficed.

Triumph of Individualism.

The success of Henry Clay Frick was "The success of Henry Clay Frick was a triumph of individualism, an exemplification of the wisdom of conferring upon the maximum of capacity the maximum of reward. It could never have been achieved in a State held in communal bondage. Like brains and like energizing forces doubtless are stored in the heads and hearts of thousands of human beings whose environstored in the heads and hearts of thousands of human beings whose environment holds their possessors as with bands of steel in the clutches of mediocrity. The incentive lacking, the spirit refuses to exert itself and disuse performs its inevitable function as the most poster agency of decay. If the indipotent agency of decay. If the indi-vidual accomplishment of but one man were at stake there would be compara-tively little cause to give heed to the growing Socialistic tendencies in both growing Socialistic tendencies in both Eagland and America. But vastly more than the success of one or of scores of hundreds or thousands is concerned. The future of the entire human race is in the balance. History proves conclusively that the only hope of the mass is the development of able individuals. Withdraw 10,000 best minds from any country and you would airophy the country and you would atrophy the mation. Deprive the ego of the hope of distinctive reward and you not only when the strength of the hope of the strength of the stream of natural progression

"France has already become a natio of mediocrity; Great Britain stands of mediocrity; Great Britain stands hesitatingly upon the brink of economic heresy; even America, our own great Republic, dedicated to freedom of con-science and liberty of the individual, has paused in her marvellous career under the pandering of political aspi-ration of the pandering of political aspirants to the spirit of greed which de-mands confiscation of the results of the toil of others and a distribution of the

spoils.

"The lesson, sir, I would draw from the notable success of this pioneer is stern resistance of un-American tendercies whose fulfilment would render impossible like achievements by others in the future. Grave responsibility accompanies great power. Many of you here are at the beginning, not at the end, of a career. Few, if any, during the next score of years will have better opportunity to influence their own and other countries. May your perception ever be keen and true and your determination never faiter! God give you a continuance of the strength, sagacity and courage which thus far have enabled your country to overcome all obstacles and become not only the most giorious in itself but a harbor of refuge obstacles and become not only the most glorious in itself but a harbor of refuge for all mankind! Therein lies the true mission of America—to keep herself free and clean and a beacon light for all the world. the world.

the world.

"Mr. Frick personified this thought.

Of all those who comprised that group
of builders he was the most intense
individualist. He believed in the open
shop for men and he established it. He
niso believed in the open shop for nanature of the powerful ald to the tions and lent his powerful aid to the establishment of that. He was for America first, last and all the time. The land contained no truer patriot, no more devoted lover of his country.

His Gentle Nature.

"One phase of Mr. Frick's nature as I knew him in his later years was one scarcely recognized by any except those with whom he was upon intimate terms. That was his extreme gentieness. The charm of his manners was no affectation it was limate, and just as surely as his expressions of conviction were sincere there was nothing false either in or about him. He never doubted for a moment the truth of what he believed. He never appeared to be something that He never appeared to be something that he was not. There was rever missing for long from his eyes the gint of the appreciative humor that lay behind those mirrors of his heart. He was not shy as Mr. Morgan was. He was simply All know that he detested ostentation of any kind, but whatever he did in his social no less than in his business life he did to the limit of his capacity.

In the course of the last game of golf I played with him a very short time ago he somewhat unexpectedly won several holes in succession and turning to me he remarked with a slightly quiszical look in his eyes: I am beginning to suspect that you are letting up on me.'
My answer was to the effect that, although as he must have noted and as I was painfully aware, my alleged game was subject to much variation, I always played as well as I could. So do I, was the prompt response and then, after an instant, he added quietly, I always have. I have always done everything as well as I could. That

much at least I can claim credit for. It is the only way.'
"Now the chief development of this method was a power of concentration such as has seldom been the possession of any man. Whatever the matter in hand might be, Mr. Frick, invariancy and without apparent effort, not only subordinated but put wholly out of consideration all other subjects and pur-

powes. Doubtless this was the effect to a large degree of arduous self-training, but even so I doubt if the process was difficult. He was wholly natural. "And he was absolutely fearless. The quality which he exemplified on the day in 1692 when he waiked from his house to his twice immediately upon his partial recovery from a murderous assault, unarmed and unprotected, through crowds of angry men, he retained to his dying day. There was never a time since I knew him when one bent upon assassination could not have reached him without the slightest difficulty. His ways were known and these values ways were known and they seldom varied. He never took the slightest precautions and never would permit others to do so. I do not think he was

fatalistic; he simply did not think about it, and if he had he would have distributed in astronyladas even to himself REAL ESTATE NEWS, it, and if he had he would have dis-dained to acknowledge even to himself apprehensions of personal danger.
Whatever else may be thought or said
of Mr. Frick, take him for all in all, he
was a man. And, sir, the greatest thing
in the world is a man. It always has

been and it always will be.
"Perhaps the dearest and most appealing attribute of Mr. Frick was his love for little children. It was as true as the steel with which his name is in-Editor Asserts.

Editor Asserts.

CHANCE A SMAL FACTOR

CHANCE A S tribute to the character of a strong man could be desired or is conceivable, yet not even his wealth of aff could supplant or superseds Mr. Frick's consciousness of principle or sense of

What he had earned and fairly won was his, to do with what he pleased, and he would brook no interference; but when it came to the doing no conception could surpass his in generosity and completeness of fulfilment. Therein lies the secret of what has been pro-nounced the most wonderful will and

testament ever devised by man. "His attitude with respect to his vast accumulations was as individual as his character. The question has been raised as to why he made no public distribution during his lifetime. The answer, I think, although only a deduction, is The answer, I think, He would de nothing which might appear as a means of currying popular acclaim. His private contributions to alleviate suffering, notably during the great war, were lavish but pubication was never permitted.

"As to the war itself, he was a staunch upholder of the Allies from the beginning and stood ready to support his own country in every way possibly One day he showed exasperation far impressive.

"How did it happen? How was this beyond his wont at the complaining of mervellous acquirement of wealth and power achieved in a short half a cennothing at the time, but on his way how to be the complaintances. He said the complaintances is said to be the complaintance. home from the golf links he spoke like

"I cannot understand a man like that. He never earned a dollar in his life. He inherited half of it and the country doubled it. Now when his country is in peril he complains. His preclous income indeed! He ought to welcome the opportunity to return in part what he has received not only from his income but from his principal if neces-I will not play with that man

\$25,000,000 CONTRACT RATIFIED WITH PARIS Machine Tools to Be Used to

Rebuild Industries.

WASHINGTON, Dec. 16 .- Formal ratification of the contract between the United States and the French Government covering the purchase of \$25,000, 990 worth of machine tools to be used in rehabilitating French industries was announced to-day by the War Depart-

A commission will leave France for he United States in about ten days to select the tools from the complete surplus held by the department. tract, however, does not give the French any exclusive right of purchase. Payment will be made in ten year 5 per cent. gold bonds of the French Re

Four Drown Off Maryland Shore. BALTIMORE, Dec. 16 .- Four of the crew of the bugeye Catherine Shores were drowned when the vessel, battered by a gale, sank in the Honga River, Eastern Shore of Maryland, yesterday,

NOTES AND GOSSIP

Marcus Loew Acquires Site for Big Theatre at Broadway and 83d Street.

EVERALL BUILDING SOLD

Washington Arch Realty Co. Is New Owner of Fifth Avenue Structure.

All other transactions reported yes terday were overshadowed by the announcement that the curb market had purchased the old American Bank Note Company property at 78 to 86 Trinity place and that Douglas A. Elliman & Co. had closed a lease on the entire avenue between Forty-ninth and Fiftieth streets, where a \$4,000,000 apartment house with several novel features will be erected by the du Pont-Boomer in-terests. Both of these transactions are reported in detail elsewhere in this

lition of THE SUN. The next most important transaction was the acquisition by Marcus Loew of the large plot at the northeast corner of Broadway and Eighty-third street as a site for a theatre to have a seating capacity of 3,600. The cost of the land and the proposed improvements will in-

Julius Tishman & Sons hold title to the greater portion of the site for the new theatre, which will be Mr. Loew's fifth house on Broadway and his thirtyseventh in greater New York. A fiv-story flat, 61,2x83.7, occupies the im mediate corner. Adjoining it on Broad is a two story building known a the Hofbrau, covering a plot 41.5x82.11. The Tishmans also hold title to the five story apartment house on Eighty-third street. It is understood that adjoining land is involved in the purchase

EVERALL BUILDING SOLD.

The eight story Everall Building at 255 and 260 Fifth avenue, near 's wentyinth street, has been sold to Henry L. Dinel for the Eugene A. Hoffman Es-tate, Inc., to the Washington Arch Healty Company, Alfred Rau president. It occupies a plot 49.4x100, and was erected about fifteen years ago by Henry Corn, who sold it to the Hoffman estate in 1912, together with the big structure through to Seventeenth and Eighteenth atreets, sold by Mr. Dinel a few weeks ago for the Hoffman estate to Bing & Bing.

Rumored Deal Denied. Absolute denial was made yesterday by the Guaranty Trust Company of the report that it has acquired the property at the northeast corner of Broadway and Liberty streets, opposite its presen home at the southeast corner of the streets. An official of the trust cominterested in the property, but declared positively that negotiations had by means advanced to the point of signing

BROWN BUYS 19 BEAVER ST Frederick Brown purchased from the state of Josephine L Bayaud the four story building at 19 Peaver street with frontage of 27 feet on Beaver street and 15.1 on New street, surrounding the WEST 133D ST.—J. Palmer Pourke and northeast corner. This is the first Charles J. H. Hamilton sold for the

transfer of the property in more than sixty years. Samuel N. Pasco was the and the estate was represented by Howard E. White as attorney session of building, waich contains 2,200 square feet, will be had next May.

S6S BROADWAY IS SOLD.

The four story business building at 868 Broadway, north of Union Square was sold by Virginia M. Moore of Tarrytown to the Broadway-Thirtieth. Street Corporation, represented by Louis B. Brodsky, which on Monday acquired the Martin Bu ding at Broadwa, and Thirty-first street. The building occuples a lot 25x99.3x frregular. Land and building are assessed at \$80,000. Horace S. Ely & Co, were the brokers. The property had been in the possession of the peller's family for 100 years.

E. A. POLAK IN MANY FRALS. Edward A. Polak, Inc., sold for the Tryborough Realty Company 522 West

158th street, a six story apartment house, renting for \$14,000; for the An-more Realty Company to Morris Moore's Sons, 45 and 47 East 131st street, a six story new law building, 50x100, renting for \$12,000; for A. Rose to the An-more Realty Company, 206 West 119th Street a six story house, 27 \$x100, rentstreet, a six story house, 37.6x100, rent-ing for \$10,000; for the estate of Fran-cis M. Carpenter, 25 Barrow street, a dwelling, 25x92, to a client of Bertram Levy; for a Mrs. Carman of St. Louis to the Frank Torco Realty Company, the five story tenement, 27x100, at 228 East 118th street, and with the Fisher Realty Company for A. Kredy of Gut-tenberg, N. J., 230 East 148th street, a three story dwelling.

MERCHANT BUYS 32 W. 74TH ST. The Brown, Wheelock Company, Inc., sold for the Clark estate the modern at 32 West Seventy-fourth street, 25x 103.2, between Central Park West Columbus avenue. The buyer, a prom-inent merchaant, will occupy after extensive alterations have been made.

LEAVE PARK ROW

R. M. Hahn & Co., for twenty years in the Park Row Building, will move their restaurant to the Dun Building, 290 Brondway, corner of Reade street, where they have leased the restaurant space through the Cruikshank Company,

GARDEN HOTEL FOR BUSINESS.

M. & L. Hess, Inc., and Helten & Leverich, sold the lease of the Garden Hotel, 63 Madison avenue, northeast corner of Twenty-seventh street, for Delibrook & Tomforde to the Canton Silk Mill, Inc., and secured for the buyers an extension of the lease from the owner to January 21, 1341. The tenant contemplates making extensive altera-tions and occupying the store and basement for their own business. Approximately \$215,000 is involved under the aggregate rental and purchase price of

OTHER SALES IN MANHATTAN. TENTH AVE .- Joseph F. Feist & Co. have sold for Frank Rummel the four story tenement at No. 548. VEST 37TH ST.—Ryan & Co. sold to a client of H. M. Weill Co., at Nos.

223 and 224, near Seventh ave., 37x 100, for Forbes Morgan Co. EAST 62D ST.-Douglas L. Ellinian & Co. resold for Robert E. Bowler, at No. 159, a 3 story and basement private house, 16x97 %, to a client for occu-

WEST 169TH ST .- Nehring Co., Jules Nehring president, sold for Ferdinand Smith to the Union Chemical Glass-ware Co., I. Portman president, at Nos. 597-509, a siz story new law apartment house, 50x39, having ac-commodation for 24 families; annual rental, \$13,000.

B. Aymar Sands estate to William Mandolowitz the four story flat at No. 142, 25x99.11.

WEST 37TH ST .- Cruikshank Company and Douglas L Elliman & Co., Inc., sold for Dr. Norrie the sixteen foot dwelling at No. 21 to Hyman Sussman, who is making plans to alter the property for business.

WEST 17TH ST .- Harry B. Cutner sold for Charles Hensle the eleven stery and loft building at No. 15, 25x92, to a client represented by Joseph I Young, attorney.

EAST 19TH ST .- The Samoth Realty Company, James A. Nelson president, sold to the Sanford Mortgage Com-pany, M. S. Ames president, the seven story thirty foot apartment building at No. 232. W. W. Muller was the broker.

Mandelbaum & Lewine to the 3157 Broadway Corporation, Morris M. Fichter president, the Riverview, a six story efevator flat, 50x143.2, at 316.

Company, Inc., sold for Archibald D. Russell, Jr., No. 154, a four story dwelling, 19x100.

AMSTERDAM AVE .- L. J. Phillips 2125-2127, a six story flat. Charles A. Moran represented the sellers.

MADISON AVE .- The Hudson P. Ros Company sold at No. 2078 a three story dwelling, 16.7x74.10, adjoining the southwest corner of 131st street. 120TH ST .- Lydia Maeder sold at No.

WEST 93D ST .- Wm. S. Baker sold for

EAST 61ST ST .- The Brown-Wheeler

Co. sold for Charles C. Marshall and Daniel E. Moran Burns Court at Nos.

304 a three story dwelling, 19.5x100.11,

through C. F. W. Channing.
WEST 127TH ST.—J. R. Diamond, represented by Abraham Leichter, attorney, purchased from Jennie Haas through Harry H. Uhlfelder the three story and basement dwelling, 19x100, WEST 52D ST .- James J. Etchingha

sold for Letitia K. Ketters No. 233; for Paul R. Reynolds No. 235 and for Myra L. Fogg, No. 237, three three story dwellings, 56.6x100. WEST 179TH ST .- I. E. Kreusner sold

to a client of Abraham Leichter the five story eighteen family house at No. 50x95; Edward Thompson was the broker. WEST 138TH ST .- F. Howell sold for

the Equitable Life Assurance Society to Harry H. Pace for occupancy the and basement dwelling at three story and be No. 257, 17x99.11. GRAND ST .- Howard C. Forbes sold to

the Karis Realty Company, Inc., southwest corner of Thompson and and Grand streets, a seven story loft, for the church extension comi Presbytery of New York.

EAST 120TH ST.—Horace S. Ely & Co.
as brokers sold at No. 53 a three story
dwelling, 16.8x100.

washing 18.5x100.

Washington SQ. North—Horace S.
Ely & Co. sold for Catherine H.
Hinckley at No. 26 a three and a haif
story and basement dwelling, 27.6x 129.4, running through to Macdougal

WASHINGTON ST .- The Markham Realty Corporation, Clarence W. Eckert president, purchased from the Wintringham estate through Leonard J. Carpenter Nos. 123, 125, 127 and 129, also 6 and 8 Albany street and 5 Carlisle street, at the corner of Washington and Carlisle streets, running through to Albany street and adjoining the southeast corner of Washing ton and Albany streets, which was recently purchased by this corporation.

OTHER SALES IN THE BRONK. EAST 137TH ST .- E. Harris sold to

five story flat, 37.6x100, at No. 636. JACKSON AVE .- Nahring Bros, resold for Joseph G. Abramson to Franklin Realty Company, at No. 1, a five story twenty family apartment house with stores, 41x106. MOTT AVE .- J. Clarence Davies sold

for the estate of Henry Lewis Morris, at No. 600, a three story brick private dwelling, 25x130. VE. ST. JOHN-Scheeter & Kroop! bought the northeast corner of Ave. St.

John and Fox st., a five story flat. THIRD AVE.-Isaac Lowenfeld and William Prager purchased at No. 2717, a three story building, 25x100. Schwab & Co. were the brokers.

BATHGATE AVE .- Henry Cahn resold a five story apartment, 55x94, at No. 2280, to Foody Bros. through F. William Sohns. DALY AVE.—Edward Polak, Inc., sold

for Henry Davis to Newman Bros., No. 2074, a four story flat. PROSPECT AVE .-- Edward Polak, Inc. sold for James McMahon to Sadie Stickler No. 1934, a two story two

family dwelling, 50x109,

NELSON AVE .- George W. Sasso sold for Richard G. Hach No. 1843, a three story three family house, 25x112.
WEBSTER AVE.—George W. Sasse
sold for Adolph Rund the plot 22x150
on Webster ave., near Kinderman pl.
MADISON AVE.—Simon S. Friedberg

resold through his attorney, Charles Fredericks, the three story brown. stone dwelling at No. 2024 to an in-vestor, who will alter into small apart-Williamson & Bryan th

> COMMERCIAL LEASES. Cushman & Wakefield, Inc., leased the corner store and basement at the north-east corner of Madison avenue and Forty-first street to Arthur R. Wom-rath, Inc., for new fiction library. Cross & Brown Company lessed build-ing at 60 Thomas street to the M. J. Grady Company; also sixth floor at 1788 and 1782 Broadway to Wayne Oil Tank

and Pump Company.

Homer L. Pence leased third floor h 16 and 18 West Thirty-ninth street to Saltzer Millinery Company of Atlanta Ga.; also third floor in 523 to 529 Eighth avenue to Fantania Hat Com-

Charles Metuger was the

pany.
Charles F. Noyes Company leased store and basement at 443-445 Broadway for Robinson-Roders Co. to Meyer Barish Manufacturing Company.

BROOKLYN TRANSACTIONS. Buikley & Horton Company sold 416

Continued on Thirteenth Page.

A STATEMENT TO THE PUBLIC

HE SENATE COMMITTEE on Interstate Commerce held hearing on the railroad problem practically without intermission from January until October 23, 1919, when a Bill (S-3288) was reported favorably by that Committee to

Adequate and prompt legislation has been urged by the the Senate. President. The result of the Committee's effort is a Bill which is non-partisan and is responsive to that necessity for remedial legislation which is recognized by the President, by both political parties and by the American public. This Bill is known

as the Cummins Bill. The House Committee on Interstate and Foreign Com-merce also reported a bill dealing with certain features of railroad regulation, which passed the House with sundry amendments. This is known as the Esch Bill. It does not deal with certain underlying problems such as definite instructions for rate making, without which private ownership and operation will be imperilled through the old warfare between the managers of the railroads and organizations of shippers, and as the result of distrust on the part of the general public and the unworkable basis of old laws.

Advocates of government ownership oppose both bills and advocate substantial extensions of the period of federal control, with that end in view.

DELAY ENDANGERS RESUMPTION OF PRIVATE OPERA-

The railway properties and the traffic machinery are suffering from the delay in the return of these properties to those responsible directly and solely for the preservation and effi-ciency of individual systems. We do not suggest that this is the fault of the personnel of the Railroad Administration. It is the unavoidable consequence of consolidated operation by a temporary governmental agency, the first duty of which is to the public treasury and which is not and can not be organized from the standpoint of permanent ownership and conservation.

Extension of federal control longer than necessary to secure the adoption of indispensable remedial legislation would further prejudice and demoralize the established agencies of transportation and make resumption of private operation on a sound basis increasingly difficult. The drive towards government ownership, which would constitute a blight upon American politics, restrict development, and enormously increase the complexity and friction of federal government, can be effectively checked only through prompt and decisive action by Congress.

This action must be through legislation which will put an end to the attitude of suspicion entertained by the public or artificially stimulated toward the American railroads. It must also put an end to the profound apprehension on the part of the railroads and the investing public as to the attitude of the

rate making authorities toward these properties. Such legislation must prevent the possibility of exploiting security issues and like possible causes of publ.: distrust. It must put an end to the warfare between shipper and railroad management over rates, by subjecting rate levels to a workable statutory test and adapting these rates, as suggested by the United States Supreme Court over forty years ago, "to the circumstances of the different roads" so that necessary units in the competitive system will not be starved to death. This result is to be expected under the old laws because of the disposition of the rate making authority to depress the rate levels unduly in order to prevent what would be regarded as an excessive return upon the value of the property of individual roads in the several competitive groups on which unusual density of traffic might otherwise produce excessive results.

BOTH BILLS GREATLY EXTEND REGULATION.

Both Senate and House bills evidence the inflexible purpose to extend the system of federal regulation of interstate carriers, begun in 1887, to the limit deemed consistent with private enterprise. We do not stop to oppose or commend that purpose. It is fixed and unavoidable and is responsive to the weight of opinion expressed at the hearings before the two committees. Any bill which passes will undoubtedly control security issues, new construction, car supplies, facilities and, to

some extent, service and operation. A business thus regulated must have public confidence and is entitled to reasonable statutory protection. To return these properties without adequate legislation is to destroy them.

If this protection is assured, the investors in railway securities can well afford to relinquish speculative or excessive returns. They are today no longer dealing with a speculative possibility. But they must be assured of a fair chance to receive a reasonable return if they produce the energy and efficiency to earn it under rates found to be adequate for the average

condition in each group. The House Bill goes to the limit of regulation without any provision remotely tending to recognize the corresponding obligation of Congress for protection from its own elaborate machinery. The Senate Bill as reported (S-3288) contains fair recognition of that obligation in Section 6. As new matter is not added in conference under the usual parliamentary procedure it is plain that the Senate Bill should be passed by the Senate and sent to conference with Section 6 unimparied.

PROVISIONS OF SECTION 6 INDISPENSABLE.

Section 6 is fundamental. It is so indispensable in the existing crisis that we trust that Senators and Representatives desirous of a sound system of competitive American transportation may not, upon the floor of the Senate or in conference or upon the question of concurrence, delay or endanger the passage

of a bill containing its provisions. This Bill is not in all respects as the Association of Security Owners would desire, but we recognize that legislation is a practical process, the result of the action of many minds, and that this Bill is the result of prolonged, patient, courageous, well informed and non-partisan action on the part of the Committee which reported it. As such we trust that it will be substantially accepted by the Senate and sent to conference, where such differences as may arise as to other features of the bill

will be reconciled. The most elementary good faith repudiates the insistence being made in sundry quarters that the Government should

December 17, 1919.

consult primarily its own financial interest or should experiment, with a view to ultimate seizure, in respect to a property which it holds in trust for restoration to the owners as good condition as when received and as soon after the termination of the emergency, ended November 11, 1918, as that can be done with due regard to the integrity of the property.

Section 6 reduces the rate problem to a simple matter of

adjustment to maintain the proper relation of rates. This marked simplification is by the use of a statutory measure applied to the aggregate operating incomes of the railroads in each competitive group. The Commission is to see that rates produce 5 1/2 (plus 1/2 of 1%, optional with Commission) on the aggregate value of all roads in the group, leaving each road in the group free to earn as much as it can under competitive conditions, but limiting the interest of each individual carrier in individual rates to a fair and responsible return upon the value of its property, plus a stated proportion of any excess it may earn which is allowed as a stimulation to continued energy and

RETURN IS ON PROPERTY VALUE—NOT ON SECURITIES.

The protest against this provision proceeds partly from those who, like the advocates of the Plumb theory, assert that the provision will vitalize watered securities. It has nothing whatever to do with stocks, bonds or securities. The ratio of return is to be estimated on the value of the property as determined by public authority (the Commission). Section 6 of the Cummins Bill and the Fifth Amendment to the Constitution apply the same test: A reasonable return on the value of the property. The only difference is that Section 6 defines the rate of return at 5 1/2 % on value, with one-half of one per cent. optional with the Commission for unproductive improvements, such as grade crossings, whereas the Constitution left that figure open for legislative or judicial definition. Section

6 supplies the definition. Other provisions of Section 6 regulate excess earnings by requiring a portion of any excess over six per cent, to be paid into a public fund for expenditure by the Board of Transportation in the public interest in railway transportation. Protest has been made against this provision as confiscating the earnings of those roads which, by reason of their strategic situation or dense traffic, are able to earn what may be termed excessive or unnecessarily large returns. The application of the provisions of Section 6 to the roads which have made that protest

discloses nothing to impair their sound future. The only thing "confiscated" is the opportunity for what may fairly be termed excessive return on the value of the in-

There is nothing novel or unexpected in applying a statutory limitation upon earnings to enterprises long since subject to rate regulation and now under strict governmental control in all of their functions.

ERRONEOUS STATEMENTS BY THE WALL STREET JOURNAL.

Among the most active spokesmen for those opposing Section 6 is The Wall Street Journal, which has repeatedly asserted that the Cummins Bill embraces a socialistic scheme for leveling profits of competently managed roads for the benefit of so-called weak roads.

The committees of the Association of Security Owners long since reached the conclusion that a definite rate of return on the aggregate railway investment was more desirable than a chance for speculative returns to a few railroads unlikely to be realized even by them under existing conditions.

It was also recognized that Congress would never concede a reasonably definite assurance, unless accompanied by a limitation upon possible excessive earnings. The accuracy of this thought has been doubly demonstrated. The Esch Bill provides for no limitation on earnings and therefore gives no reasonable assurance, no definition, no instruction. The Cummins Bill, on the other hand, proposes in Section 6 a fairly definite assurance

and regulates earnings to a fair return. Section 6 permits carriers to retain six per cent, upon the fair value of their property, if they can earn that much from competitive rates established for the group, plus a portion of any excess they may earn. What is discernible in the present outlook to justify hope for greater return? Certainly nothing to justify the wager of the whole transportation system on the

EARNINGS OF ONE ROAD NOT GIVEN TO ANOTHER.

The Cummins Bill creates a Board of Transportation, to which it gives absolute jurisdiction over the general railway fund to be "employed or invested or expended by the Board in furtherance of the public interest in transportation by carriers subject to the Act to Regulate Commerce in avoiding congestions, interruptions or hindrances to the railway service,"

The primary purpose of the fund as shown by Section 6 is the purchase of equipment or facilities to be used "wherever the public interest may require." While loans to carriers are permitted on terms to be fixed by the Board, the fundamental consideration is the public interest and there is no warrant whatever for the assertion that the Cummins Bill provides for

revenue to be taken from one road to be given to another. The public will get the service and the excess earnings paid into the fund will not be pyramided for the purposes of rate making or "given" to any road or employed on any favored class

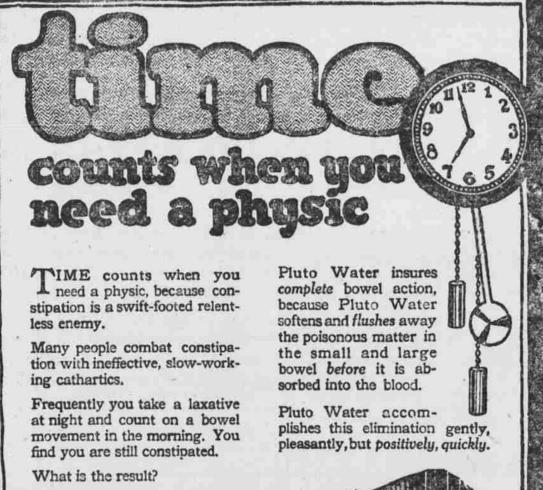
of roads. The percentage return fixed by Section 6 is not upon stocks or bonds or even upon the value of individual railway property, but upon the actual value of the entire transportation machine in each rate group, as determined by the Commission; and the ratio of aggregate return on the value so ascertained is fixed at a figure at which no one can justly complain. Nor can any road attain that ratio of return upon its own value without earning it on a competitive basis. There is neither extortion nor stagnation in that process.

Desirous only of a sound and wholesome future for the railroads based on deserved public confidence we desire to emphasize the necessity for prompt and definite legislation.

HALEY FISKE, New York. JOHN J. PULLEYN, New York. W. D. VAN DYKE, Milwaukee, Wis. LOUIS F. BUTLER, Hartford, Conn. GEORGE K. JOHNSON, Philadelphia, Pa.

DARWIN P. KINGSLEY, New York.

SUB-COMMITTEE. * NATIONAL ASSOCIATION OF OWNERS OF RAILROAD SECURITIES.



The use of uncertain, tardy laxative has exposed you to the

attacks of disease.

Literally millions of germs have had a chance to multiply in your system, lessen your vitality and poison your blood.

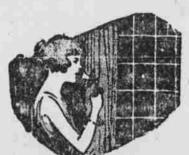
You can't afford to dilly-dally with constipation because it is the fore-runner of colds, grippe, tonsilitis, influenza and more serious ailments. The sure, positive way

of cleansing the intes-

tinal tract quickly of

poisonous waste matter

is to take a dose of



When an emergency demands a doctor, you would not write him a letter—you would call him on the telephone.

Pluto Water is bottled at French Lick Springs, Indiana, which is known country-wide as "America's most famous watering place." It is a recognized curative agent for kidney, liver and stomach trouble, rheuma-

Your physician prescribes it.

tism and nervous disorders.

